

# USDA Child Nutrition Programs Administrative Review Summary Report

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**School Food Authority:** New Holstein School District      **Agency Code:** 83941

**School(s) Reviewed:** New Holstein Middle School

**Review Date(s):** January 4-6, 2017 **Date of Exit Conference:** January 6, 2017

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State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

- Determine whether the SFA meets program regulations,
- Provide technical assistance,
- Secure needed corrective action,
- Assess fiscal action, and when applicable, recover improperly paid funds.

## **General Program Reminders/Updates:**

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state at no charge. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the [DPI SNT webpage](#).
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the [DPI SNT GOALS webpage](#).
- SFAs are required to have a local meal charge policy in place no later than July 1, 2017. More information, resources, and best practices may be found on the [DPI SNT Financial Management webpage](#) under *Unpaid Meal Charges* section.

## **Appreciation/Commendations/Noteworthy Initiatives:**

Thank you to the staff at New Holstein School District for the courtesies extended during the on-site review. Thank you for taking the time to respond to the off-site questions as well as pulling records for the on-site portion of the review, being available for in-person questions and for providing additional information when requested. All were very receptive to recommendations and guidance. It was a pleasure visiting New Holstein School District.

# REVIEW AREAS

## 1. MEAL ACCESS AND REIMBURSEMENT

### **Certification and Benefit Issuance**

161 eligibility determinations were reviewed, 0 errors were identified. All free/reduced applications and the Direct Certification (DC) runs were available for review. All applications have been approved and students are receiving the benefits they have been determined eligible for. The SFA date stamps all applications and reviews them in a timely manner. Thank you to the Determining Official (DO) for being available to answer questions, clarify information and follow-up with households when necessary. The DO is detail-oriented and organized, two excellent characteristics for processing and distributing meal benefits. Kudos for a job well done!

The SFA is provided the following technical assistance for Certification and Benefit Issuance by sub-topic to ensure the SFA is aware of program details and updates. *Corrective Action* is requested for specific sub-topics following the section.

### Applications

When benefit status increases to a greater benefit, the change must take place within 3 days. When benefit status decreases to a lower benefit, the change cannot take place before 10 calendar days and a notice of adverse action must be sent in writing with appeal procedures.

Applications are to be processed at face value if the Determining Official (DO) is confident in the clarity of the information provided. The DO should follow up with information on any application that is not clear in order to process the application correctly.

### Household Size Box

If the Total Household Members box has been completed, but the number of children and adults listed on the application add up to a different number, the SFA is required to follow up with the household to clarify the correct number of people in the household and ensure all household member have been included on the application before an eligibility determination is made.

If the Total Household Members box has not been completed, the SFA is required to follow up with the household to confirm the total number of household members. It cannot be assumed that the number of people listed on the application is the total number of household members. This box has been added as an edit check to ensure all members of the household are included and can make a difference in the eligibility determination. Per clarification from the USDA Regional office, any application that does not have this box completed is considered an incomplete application.

### Annual Income

If the household provided only annual income, the SFA **must** follow up with the household to ensure that the amount is an accurate reflection of the household's current income.

### Other Source Categorical

If a household submits an application that indicates Other Source Categorical Eligibility, such as homeless, migrant, or runaway, the SFA must confirm the children's status by an appropriate program official either through direct contact with the agency or by a list of names provided by the agency, before meal benefits can be provided. Once confirmed, this eligibility is only available to the designated child and is not extended to other members of the household.

Applications that indicate a child is a foster child are categorically eligible for free meals. The child's status for free meals does not require confirmation of eligibility prior to receiving benefits. This benefit is not extended to other household members.

### Transferring Students

SFAs can share eligibility data with other districts when requested for specific students but are not required to do so, as noted on page 39 of the [Eligibility Manual for School Meals](#).

If a student(s) received free meals via Direct Certification (DC) at a previous SFA, a copy of the original DC run with all names blacked out except for the student(s) requesting free meals should be obtained from the previous SFA. The date of the DC run as well as the match code for the student(s) should be visible to the new SFA. If a student received free meals via application at a previous SFA, a copy of the original application should be obtained. Alternatively, the student(s) can be run individually through DC or complete a new meal application with the new SFA.

### Effective Date of Eligibility

The SFA has submitted and been approved for the practice of date-stamping all applications received in the SFA. Kudos for a job well done on this practice. As a reminder, the SFA can extend benefits on the date the application was received, even if the application was received after the lunch period.

### Disclosure

SFAs must seek written consent from the household to use information provided on the meal application or through DC for non-food service program purposes, such as athletic or testing fee waivers. Consent must be obtained each school year. A template [Sharing Information Form](#) is located on the [DPI SNT Free and Reduced Meal Applications and Eligibility webpage](#).

Alternatively, a SFA can ask programs requesting benefit information to have households self-disclose by providing a copy of their [Letter to Households of Approval/Denial of Benefit](#) notification letter. This option is encouraged as it reduces administrative recordkeeping for the SFA.

A [Disclosure Agreement](#) form should be signed and on file at the SFA for anyone receiving eligibility information to approve students for non-food service program benefits or with access to the meal benefit information. This form can be found on the [DPI SNT Free and Reduced Meal Applications and Eligibility webpage](#). The SFA is highly encouraged to work with their software system to ensure access to meal benefit information is only available to those with a 'need to know' reason. Building secretaries without a role in the administration of USDA Child Nutrition Programs should not have access to this information. If the information is unable to be deemed 'inaccessible' to these individuals, those administering the USDA Child Nutrition Programs in the SFA should obtain a signed *Disclosure Agreement* from each individual to protect student benefit information.

### Notification Letters

Technical assistance was provided on-site that if the SFA goes back to using template notification letters (for approval/denial of meal benefits via application or Direct Certification {DC}) within their software system, the letters should be vetted against the current DPI template letters and requirements in the [Eligibility Manual for School Meals](#) to ensure all required information, including the current USDA Non-discrimination Statement, is present.

### Public Release

Thank you to the SFA for prompt removal of the public release from the SFA's website. As a reminder, the SFA should send the public release to media and grassroots organizations. In addition, the SFA should send the release to major employers contemplating or experiencing large layoffs and local unemployment offices, as applicable.

### **Verification**

The SFA completed verification within the designated timeframes. The appropriate number of applications were selected for verification based on Standard Sampling. Documentation indicated a confirmation review took place by the Confirming Official (CO). The Verification Collection Report (VCR) was updated while on-site to correctly indicate the sampling method and number of error-prone applications within the SFA. The SFA is encouraged to further explore the verification module available within its software system or, at a minimum, use it as a 'checks and balance' when completing verification. Kudos to the DO and CO for completion of verification.

### **Meal Counting and Claiming**

Lunch was observed on Thursday, January 5, 2017. Reimbursable meals were correctly identified and claimed. No meal counting errors were observed.

Breakfast was observed on Friday, January 6, 2017. Reimbursable meals were correctly identified and claimed. No meal counting errors were observed.

The November 2016 claim for reimbursement was reviewed. While the SFA is correctly utilizing edit checks built into the SFA's software system, figure discrepancies, both higher and lower, on the software system's daily activity reports for the same month caused a lack of confidence in the validity of the edit check figures. Please see the *Corrective Action* following this section. *Corrective Action* responses will allow for the claim to be confidently reviewed.

Additionally, as discussed on-site, complete 'second meals' are no longer allowable as Smart Snack regulations do not allow for the bundling of meal items. While the FSD noted second meals are not being claimed, review of the software system's daily activity reports indicated '2<sup>nd</sup> price meals' are being rung up. It is possible that these meals are incorrectly rung up at the Point of Service (POS) and/or there is a coding error in the system leading to meals being claimed as '2<sup>nd</sup> price meal'. Please see the *Corrective Action* below requesting the SFA to:

- follow up with the software system on how '2<sup>nd</sup> price meals' are recorded
- train students and POS staff that complete second meals are no longer allowed
- train POS staff to correctly charge students for the food items they select

The SFA is highly encouraged to remove any complete second meal buttons from the POS computer screen.

This *Corrective Action* further supports the technical assistance provided to the FSD on-site the need to clearly market the components of a reimbursable meal and the pricing of a la carte items. As the SFA receives federal reimbursement for each reimbursable meal sold, pricing of the reimbursable meal should be at a lower price than the sum of the individual a la carte items. As noted in the *Offer versus Serve* section below, the SFA is encouraged to develop a method to include a la carte items in a reimbursable meal(s). It is hypothesized that the inclusion of current a la carte items into a reimbursable meal(s) at breakfast would greatly increase participation numbers as reimbursable meal figures appear low in comparison to the number of students observed purchasing food items at breakfast. Additionally, please see the *Nonprogram Foods* section of this report for more information regarding the pricing of nonprogram foods, which include a la carte, extra/cold lunch milks, and adult meals.

### **Findings and Corrective Action Needed**

**Finding #1:** While the SFA is correctly using the software system's internal edit checks, discrepancies, both higher and lower than figures on the daily activity report, left the November 2016 claim for reimbursement unable to be confidently validated.

**Corrective Action Required:** Please submit an explanation detailing the reason for the meal discrepancy in the SFA's software system. Include documentation that supports the correct meal count figures.

Please note, fiscal action may be warranted following explanation of the discrepancies.

**Finding #2:** ‘2<sup>nd</sup> price meals’ or complete second meals are no longer allowed to be sold under Smart Snack regulations.

**Corrective Action Required:** Please discuss with the SFA’s software system how ‘2<sup>nd</sup> price meals’ are recorded in the system (i.e. specific button being used at the POS, incorrect coding in the software system, etc.). Provide a summary of how students and staff are informed and trained on the disallowance of complete second meals.

## 2. MEAL PATTERN AND NUTRITIONAL QUALITY

Sincere thanks to the FSD of the New Holstein School SFA. We appreciate the time and efforts spent preparing for and participating in the administrative review. The FSD is well-organized, highly responsive, and thorough. She asked questions reflective of a strong comprehension of school meals program requirements, and she was a pleasure to work with.

### Production Records

The breakfast and lunch production record templates currently in use are missing required information. While there is no required template, there are examples on our website: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records>. Current templates must be updated to include the following required information for continued use:

- Recipe name or reference number OR product name or description
- Planned portion size for each grade group and adults
- Planned number of portions
- Total number of portions prepared and number of portions leftover
- Actual milk usage by type

If applicable, substitutions made for students with special dietary needs must be recorded. Write this information on the same or on a separate production record. Keep dietary request forms on file as supporting documentation.

Crediting information recorded on the production records was not consistently in agreement with crediting information on the supporting documentation, such as child nutrition labels, product formulation statements, or the Food Buying Guide. Including meal pattern contributions for specified grade groups on production records is not required, though it must be documented and available for staff. Food manufacturers periodically reformulate products used in schools. It is important to stay current with these changes and be confident that the documentation on file matches the products in stock. Records should be reviewed and updated at least annually and as new products are purchased or substituted. Please ensure crediting information, whether recorded on production records or separately, is accurate and in agreement with supporting documentation.

Be specific on production records about the identity, brand, and description of the items served. Instead of “fruit cup” or “choice of cereal”, list the specific type. Those descriptions may be listed on menus for flexibility and to save space, but they are not detailed enough for production records. Note that the three choices of cereal do not credit exactly the same. The Jump Starts Express cereal kits, Fruit Loops and Apple Jacks, credit as 1.75 ounce equivalents of grain, whereas the Cocoa Puffs Breakfast Breaks cereal kits credit as 2.00 ounce equivalents of grain. The difference is due to the included crackers. Please ensure crediting information is available for each item in each cereal kit as well. A product formulation statement is available for the [Goldfish crackers](#), crediting as 1.0 ounce equivalent of grain. Using Exhibit A, the Goldfish crackers only credit as 0.75 ounce equivalents of grain.

### **Offer versus Serve (OVS)**

Food service staff at the Point of Service (POS) were able to correctly identify reimbursable meals under Offer versus Serve (OVS) for both breakfast and lunch. When students were missing required components, food service staff encouraged the students to return to obtain the required missing meal components or were charged a la carte pricing.

Meal observation indicated the SFA sells a la carte/nonprogram foods. As noted previously, the SFA is encouraged to develop a method to include a la carte items into a reimbursable meal in order to be able to offer the total meal at a lower price than the sum of the individual a la carte items.

### **Findings and Corrective Action Needed**

**Finding #3:** Current production records do not include all required information.

**Corrective Action Required:** Update production records to include the following missing information: recipe name or reference number OR product name or description, planned portion size for each grade group and adults, planned number of portions, total number of portions prepared and number of portions leftover, and actual milk usage by type. Please submit one full day of completed production records, updated to reflect these requirements.

## **3. RESOURCE MANAGEMENT**

### **Nonprofit School Food Service Account**

Access to the SFA’s Child Nutrition Report, which provides a compilation of meals claimed, reported revenues and expenditures, amount of federal reimbursement received and per meal costs for lunch and breakfast, is described in the document [Viewing the Child Nutrition Report](#). The DPI Aids Register is also available to track all program deposits made to the SFA’s account as well as the amount deducted from reimbursement to pay for shipping, handling and processing costs of USDA Foods. The Aids Register is available on the DPI SNT [Financial Management webpage](#). Both resources are also accessible from the [Online Services webpage](#).

Thank you to the Business Manager for timely review and update of the SY15-16 Food Service Annual Financial Report (AFR). The reported Expenses and Ending Funding Balance did not match the SFA's unaudited report. The error was determined during the on-site review and a correct AFR was submitted to a DPI SNT Accountant for adjustment.

### Annual Financial Report

In SY 16-17, all revenues including reimbursements and student payments and expenses including food, labor, equipment, purchased services, and other need to be entered into the program to which they belong. Please note there are additional categories than in previous years:

- **NSL** - schools participating in the National School Lunch Program.
- **SB, SBSEVERE** - both regular School Breakfast and Severe Need Breakfast.
- **SK-NSL, SK-NSLAE** - both After School Snacks and Area Eligible Afterschool Snacks.
- **SMP** - Special Milk Program.
- **Grants** - all grant awards and expenditures.
- **WSDMP** - Wisconsin School Day Milk Program.
- **EN** - Elderly Nutrition.
- **Nonprogram Foods** - all Nonprogram Foods (including: a la carte items, adult meals, milk only, extra entrees, vended meals sold under a joint agreement, catered meals, vending machines, etc.)
- **CACFP** - daycare and supper meals claimed under Child and Adult Care Food Program.
- **SFSP** - meals claimed in Summer Food Service Program.

The [new SY 16-17 Annual Financial Report instructions](#) are located on [DPI SNT Financial Management webpage](#).

USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges. For a snap-shot on what the policy must include, see the [Unpaid Meal Charges In a "Nutshell"](#). For a more comprehensive overview, see [SP 58-2016: Unpaid Meal Charges Guidance](#). In addition, bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs, as noted in [SP57-2016 Unpaid Meal Charges Guidance](#).

### **Paid Lunch Equity**

The SFA is in compliance with PLE by raising student meal prices \$0.10. However, the PLE tool completed in SY 15-16 for SY 16-17 contained in error in the weighted average price calculation causing the SFA to flag for a comprehensive resource management review in the *Paid Lunch Equity* section. Total meals for the weighted average price calculation did not match the October 2015 claim for reimbursement. While the error did not change the required price increased, correction of the error is essential to ensure future correct calculations of PLE. Please see the *Corrective Action* following this section requesting the SFA to determine the reason for figure discrepancy in the SFA's software system and to submit a correct PLE tool.



## Revenue from Nonprogram Foods

The SFA flagged for a comprehensive resource management review in the *Revenue from Nonprogram Foods* section as it sells nonprogram foods.

Nonprogram foods include:

- Adult Meals
- A la Carte
- Extra Entrees
- Extra Milk (for cold lunch or milk break),
- Vended Meals (meals sold to other agencies)
- Catered Meals
- Vending Machines operated by Food Service

All nonprogram food costs including food, labor, equipment, purchased services, and other must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals nor be absorbed by the food service account.

Nonprogram food costs and revenues must be separated from program food costs and revenues. In regards to adult meals, food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the **minimum** pricing guidelines in Food Nutrition Services Instruction 782-5, which are outlined in the [Wisconsin Adult Meal Pricing Worksheet](#). SFAs must reassess adult meal prices annually prior to contract submission to ensure student reimbursement is not being used to subsidize adult meals.

At a minimum, the [USDA Nonprogram Food Revenue Tool](#) must be completed yearly. The [DPI Nonprogram Food Revenue Tool/Calculator](#) aids in calculating prices of nonprogram foods and feeds into the USDA Nonprogram Food Revenue Tool to determine compliance with USDA nonprogram food regulations.

To complete the USDA Nonprogram Food Revenue Tool, the SFA must select a reference period of at least 5 consecutive operating days of a regular school week, and compare the reference period revenue ratio to the food cost ratio for the entire SFA to determine if the revenue ratio is equal to or greater than the food cost ratio (see Figure 1 below). Rather than separating all costs for the entire year (although recommended), SFAs must separate their non-program food costs from their program food costs for the selected period to complete the Tool. If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance.

$$\frac{\text{Nonprogram food revenue}}{\text{Total program and nonprogram revenue}} \geq \frac{\text{Total nonprogram food costs}}{\text{Total program and nonprogram food costs}}$$

Figure 1 - Nonprogram Foods Revenue and Costs Ratio

Nonprogram food revenue is the dollar amount of nonprogram food sales sold through the nonprofit school food service account including la carte sales, adult meals, vending machines, extra/cold lunch milks, etc. Total program and nonprogram revenue includes the dollar amount from program and nonprogram food sales.

If using the DPI Nonprogram Food Revenue Tool/Calculator to complete the USDA Nonprogram Food Revenue Tool (recommended), to determine nonprogram food cost data, gather an itemization of all nonprogram foods offered during the selected reference period and enter the per item raw food cost of each nonprogram food and the number of servings/items sold in the selected reference period.

For total program and nonprogram food costs, include all program and nonprogram food costs. Program food costs data should be available using production records, invoices, etc.

The [Nonprogram Foods Revenue Rule SP 20-2016](#) and the [Nonprogram Foods In a 'Nutshell'](#) can provide additional guidance and clarification on nonprogram foods.

**Finding #4:** In reviewing the Paid Lunch Equity (PLE) tool to determine student paid meal prices for SY 16-17, it was noted that the total meals reported for the weighted average price calculation did not match the October 2015 claim for reimbursement. This appears to stem from meal count discrepancies between the software system's internal edit checks and daily activity reports noted above. While the error does not appear to change the required price increase, correction of the error is essential to ensure future correct calculations of PLE.

**Corrective Action Required:** Please submit an explanation detailing the reason for the meal total discrepancy in the SFA's software system. Include documentation that supports the correct meal figures. Additionally, submit a corrected PLE tool used to determine prices for SY 16-17.

**Finding #5:** The USDA Nonprogram Food Revenue Tool was not fully completed by the SFA. Technical assistance was provided during the on-site to the Food Service Director.

**Corrective Action Required:** Please submit a completed USDA Nonprogram Food Revenue Tool. If the Tool comes out in the red, requiring *Additional Revenue to Comply*, please submit a plan going forward for how the SFA will comply with the shortfall (i.e. raise nonprogram food prices and/or contribute non-federal funds to meet the required ratio).

## 4. GENERAL PROGRAM COMPLIANCE

### Civil Rights

#### Non-discrimination Statement

The SFA used template materials from DPI which contain the current USDA Non-discrimination statement. As a reminder, if the SFA develops or uses template letters from their software system, the documents should contain all of the information included on the DPI template letters including the full USDA Non-discrimination statement, which is available on the DPI SNT [Civil Rights webpage](#). When space is limited, such as on printed menus, the abbreviated statement may be used, **“This institution is an equal opportunity provider.”** Both statements should be in the same size font as the other text in the document.

#### And Justice for All Poster

An “And Justice for All” poster was available and readable in the cafeteria. Technical assistance was provided to relocate it to a more readable height for the students the cafeteria serves. The FSD noted the potential to include a bulletin board in the cafeteria for the poster and food safety inspections.

#### Civil Rights Training

Civil rights training had been completed and documentation was available for review.

#### Civil Rights Self-Compliance Form

The Civil Rights Self-Evaluation Compliance form was completed by October 31st.

#### Special Dietary Needs

All food substitutions made outside of the meal pattern requirements must be supported by a signed medical statement from a licensed medical practitioner. SFAs may use the [template Dietary Request Form](#) posted on the [DPI SNT Special Dietary Needs webpage](#). This template is also available in Spanish and Hmong. SFAs must accommodate dietary requests that are supported by a signed medical statement from a licensed medical practitioner.

School food service staff may make food substitutions, at their discretion, for children for whom they do not have a signed medical statement from a licensed medical practitioner. It is highly recommended that the SFA still have a completed Dietary Request Form on file from a medical authority, such as a school nurse, to support the request. These types of accommodations must be made according to the USDA’s meal pattern requirements in order for the meals to be claimed for reimbursement. It is recommended that the SFA develop a policy for handling these types of accommodations to ensure that requests are being handled equitably.

### Processes for complaints

Schools must have a process for receiving and processing complaints alleging discrimination within USDA Child Nutrition Programs. All verbal or written civil rights complaints regarding the school nutrition programs that are filed with the SFA must be forwarded to the Civil Rights Division of USDA Food and Nutrition Service within 3 days. A SFA may always attempt to resolve a situation that is occurring in real time. However, if an individual states that they wish to file a civil rights complaint, the SFA must provide them with the information necessary to do so and not impede an individual's right to file. The [USDA Program Discrimination Complaint Form](#) is available to assist in filing these complaints and can be found on the [DPI SNT Civil Rights webpage](#). As noted in the SFA's [Parent/Guardian Information Letter/Frequently Asked Questions](#), included with Free and Reduced Price Meal Application, households can contact the SFA's DO regarding benefit determination or the SFA Administrator.

### **On-site Monitoring**

The Administrative Review Final Rule updated 7 CFR Part 220.11(d)(1) established the requirement to conduct on-site monitoring of the School Breakfast Program beginning in SY 2016-17. The requirement is to annually review 50% of schools approved to participate in the SBP within the jurisdiction of the SFA, with each school in SBP being reviewed once every two years. For more information see [USDA memo SP 56-2016](#). The [National School Lunch Program On-site Monitoring Form](#) and [School Breakfast Program On-site Monitoring Form](#) are currently available on the [DPI SNT Administrative Review webpage](#).

As Administrative Review took place before February 1, SY 15-16 On-site Monitoring Forms were reviewed. The SY 15-16 of the elementary school indicated no need for corrective action. As the FSD is located at the Middle/High School cafeteria, no review form was completed. Technical assistance was provided to complete reviews of both serving locations and to discuss results with staff at each site following the review. The SFA is reminded to complete both the National School Lunch Program (NSLP) and School Breakfast Program (SBP) on-site reviews prior to February 1<sup>st</sup> of 2017.

## **Local Wellness Policy Summary for Administrative Review**

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-2017 and full compliance with the requirements of the final rule by June 30, 2017.

At a minimum, SFAs must permit participation by the general public and the school community including parents, students, and representatives of the school food authority, teachers of physical education, school health professionals, the school board, and school administrators in the wellness policy process. In addition, SFAs must designate one or more school officials to ensure each school complies with the policy.

At a minimum the wellness policy must include:

- Specific goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness. SFAs are required to review and consider evidence-based strategies in determining these goals.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day that are consistent with Federal regulations for school meal nutrition standards and the Smart Snacks in School nutrition standards.
- Standards for all foods and beverages provided, but not sold, to students during the school day.
- Policies for food and beverage marketing that allow marketing and advertising of only those foods and beverages that meet the Smart Snacks in School nutrition standards.
- Description of public involvement, public updates, policy leadership, and evaluation plan.

SFAs must complete an assessment of the policy every three years (triennial assessment) to determine compliance with the policy, how the policy compares to model policies, and process made in attaining the goals of the wellness policy. SFAs must make the triennial assessment, as well as the wellness policy and any updates to the policy, available to the public.

A summary of the requirements can be found at:

[http://www.fns.usda.gov/sites/default/files/tn/LWPsummary\\_finalrule.pdf](http://www.fns.usda.gov/sites/default/files/tn/LWPsummary_finalrule.pdf). USDA Food and Nutrition Service has information on the local school wellness policy process and wellness policy elements at: <https://healthymeals.nal.usda.gov/school-wellness-resources>. Wisconsin Team Nutrition has several wellness policy resources available including a toolkit, a wellness policy builder, and wellness policy report card at: <http://dpi.wi.gov/school-nutrition/wellness-policy>.

The SFA's Local Wellness Policy (LWP) was reviewed and the SFA is reminded of the following:

- The LWP notes the District Administrator will seek input from stakeholders. The SFA and District Administrator are encouraged to form a wellness committee that is made up of a diverse group of stakeholders.
- Smart Snacks Standards apply to all foods sold outside of the reimbursable meal, including those sold by food service and other individuals/groups throughout the SFA.
- SFA should consider more specific language on foods provided but not sold including class parties, class snacks, rewards/incentives, etc.
- Food and beverage marketing guidelines should be included in the LWP.
- Evidence-based strategies for nutrition promotion, such as [Smart Lunchrooms](#), should be explored and considered for inclusion.
- Language should be included regarding the triennial assessment and how the results of the assessment will be made available to the public. Note, the assessment should determine compliance with the LWP, how the LWP compares to model policies, and process made in attaining the goals of the LWP. The assessment is not a simply a review and approved of changes to the LWP.

### **Smart Snacks in Schools**

Per the Student Council faculty advisor, Student Council sells food for snack breaks during the school day. The sale takes place during recess time, which occurs after lunch. Students are not allowed to eat food for snack breaks during lunch, but they can during an intervention period in the morning. Of the approximately twenty-three products reviewed, only the sugar free gums (Extra and Trident) and four applesauce varieties meet Smart Snacks criteria. Because sales occur during the school day, all noncompliant products must be discontinued. Remaining inventory of the noncompliant products listed below may be sold. Do not order or purchase them going forward.

- Combos
- Fruity Snacks, all varieties
- Oven Baked Lay's Potato Crisps
- Oven Baked Lay's Barbecue Flavored Potato Crisps
- Smartfood White Cheddar Cheese Flavored Popcorn
- Pop Tarts, Frosted Strawberry
- Chips Ahoy Cookies
- Cheese It Crackers, all varieties
- Slim Jim
- Oven Baked Cheetos
- Rold Gold Classic Style Tiny Twist Pretzels
- Simply Cheetos Puffs
- Oreo Cookies
- Nutter Butter Cookies

Similar products can be found in Smart Snacks compliant varieties and/or portion sizes, such as the oven baked chips which are currently too high in sodium. Fruit snacks can be compliant if the first ingredient is fruit juice or fruit puree, and Pop Tarts can be compliant if they are whole grain-rich. The [Smart Food Planner](#) from the Alliance for a Healthier Generation may be helpful.

The [Smart Snacks Final Rule](#), published in the Federal Register on July 29, 2016, finalizes science-based nutrition guidelines for competitive foods sold on the school campus during the school day that were established in the Interim Final Rule (July 1, 2014). Foods and beverages sold in schools must meet both the general standards and the nutrient standards outlined in the final rule if they do not qualify for an exemption.

Under the General Standards, entrées, snacks, and sides must meet one of the following criteria:

- Be a whole grain-rich product
- Have a fruit, vegetable, dairy product, or protein food (meat, beans, poultry, etc.) as the first ingredient
- Be a combination food with at least ¼ cup fruit and/or vegetable

We recommend using the [Smart Snacks Product Calculator](#) to assess product compliance. Simply answer a series of questions to see if the general and nutrition standards are met, then save and print the results for your records.

Alternatively, the Student Council may sell the items beginning thirty minutes after the end of the instructional school day.

Furthermore, the Wisconsin Department of Public Instruction allows two fundraiser exemptions per student organization per school per school year, not to exceed two consecutive weeks each. An exempt fundraiser may sell foods and beverages that are not allowable under the Smart Snacks rule but this may not occur in the meal service area during meal service times.

The recent candy cane sale may be considered an exempt fundraiser for the Student Council. All exempt fundraisers need to be documented. Templates, such as the [Exempt Fundraiser Tracking Tool](#), are available on the School Nutrition Team webpage.

Links to the School Nutrition Team's [Smart Snacks webpage](#) and [Smart Snacks "In A Nutshell"](#) are also included for reference.

**Finding #6:** Of the approximately twenty-three products sold by the Student Council, only the sugar free gums and four applesauce varieties meet Smart Snacks criteria. Because sales occur during the school day, all noncompliant products must be discontinued.

**Corrective Action Required:** Please submit a statement describing changes the Student Council will make to comply with Smart Snacks regulations. If the Student Council intends to continue selling food for student snack breaks during the school day, please submit labels for replacement, compliant products as well as printouts from the Smart Snacks Product Calculator.



## Professional Standards

The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.

Each SFA must designate at least one staff member as a program “director”. A program “director” is the person designated to perform or oversee the majority of the program duties such as sanitation, food safety, nutrition and menu planning, food production, procurement, financial management, record keeping, customer service, nutrition education, and general day-to-day program management.

Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee’s role in the management and operation of the school nutrition program.

In the SFA, documentation indicated the Food Service Director (FSD) and Food Service (FS) Staff regularly attend, view, or train on various continuing education topics. Certificates of completion and attendance logs of trainings completed are maintained. Kudos to the FSD and FS Staff for their dedication to continuing education. Technical assistance was provided to the FSD to have all FS Staff maintain yearly continuing education logs so that all are able to determine at-a-glance if continuing education requirements have been met. Individual continuing education logs should include the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, volunteer, etc.), professional standards position (director, manager or staff).

In addition to training completed and tracked by FSD and FS Staff, the SFA’s Determining Official (DO) and Business Manager should maintain documentation of continuing education completed for participation in USDA Child Nutrition Programs. Although not preparing and serving food directly, these individuals are responsible for processing applications and Direct Certification (DC), completing verification, properly distributing meal benefits, managing the non-profit food service account, completing the Paid Lunch Equity (PLE) tool, and submitting the annual food service annual financial report. Continuing education can be tracked minute-for-minute and be obtained in a variety of formats (online, in person, webinars) from various providers (DPI, USDA, in-house, etc.). Training must be job-specific and help employees perform their duties well. Learning codes are not required, but encouraged. A [DPI developed Microsoft Excel based tracker](#) is posted to the [DPI SNT Professional Standards webpage](#).



**Annual Training Requirements for All Staff** - If hired January 1 or later, only ½ of the training hours are required during the first school year (SY) of employment.

<b>Directors</b>	<b>Managers</b>	<b>Other Staff</b>	<b>Part Time Staff</b>
	(20 hrs or more/week)	(less than 20 hrs/week)	
2015-16 SY	2015-16 SY	2015-16 SY	2015-16 SY
<b>8 hours</b>	<b>6 hours</b>	<b>4 hours</b>	<b>4 hours</b>
2016-17 SY	2016-17 SY	2016-17 SY	2016-17 SY
<b>12 hours</b>	<b>10 hours</b>	<b>6 hours</b>	<b>4 hours</b>

## **Water**

Water is required and available at no charge to students during lunch and breakfast meal services. To further encourage water consumption, the SFA is encouraged to consider offering drink cups near the water fountain.

## **Food Safety and Storage**

### Food Safety Inspections

Food safety inspections were posted and available for review in the cafeteria and SFA District Office. The FSD noted the potential to include a bulletin board in the cafeteria for the food safety inspections and ‘And Justice for All’ poster.

### Food Safety Plans

The food safety plan was available for review. All temperature logs, calibration logs and sanitizing solution logs were available for review and up-to-date as well as signed Employee Reporting Agreements.

### Temperature Logs

Reviewed temperature logs were completed by the SFA. The SFA is encouraged to include language directly on the log that includes ideal temperature ranges and corrective action to take if temperatures are outside of ideal ranges.

### Storage

The on-site storage areas were reviewed, including freezers, refrigerators, dry good storage rooms and other areas. Storage rooms and freezers were orderly and clean.

## **Buy American**

The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports small local farmers and provides healthy choices for children in school meal programs as well as supports the local economy. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf. The Buy American provision should be included in solicitations, contracts, and product specifications.

There are limited exceptions to the Buy American provision which allow for the purchase of products not meeting the “domestic” standard as described above ( “non-domestic”) in circumstances when use of domestic products is truly not practicable. Refer to SP 24-2016 for more information on the Buy American provision and limited exceptions.

SFAs must monitor contractor performance to ensure contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. This is accomplished by ensuring the product label designates the United States, or its territories, as the country of origin. Therefore, SFAs must ensure that products delivered comply with any Buy American contract provisions by reviewing products and/or delivery invoices/receipts to identify the country of origin is the United States or its territories. SFAs also need to conduct a periodic review of storage facilities, freezers, refrigerators, dry storage, and warehouses to ensure products comply with the Buy American provision, unless a limited exception has been approved.

The following item was found to be non-compliant during the on-site review at New Holstein Junior/Senior High:

- California Vegetable Blend - Mexico

The SFA should work with its distributor to see if this product are available domestically. If not, documentation requested in the [Non-compliant Product List](#) should be obtained. Please note, the use of this form is the exception, not the rule.

More information on this new requirement can be found on the [DPI SNT Procurement webpage](#). The SFA is encouraged to ask questions on this regulation during their Procurement Review.

### **Reporting and Recordkeeping**

Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner. As a reminder, all free and reduced price applications, including applications from households denied benefits must be kept on file for a minimum of three years after the final claim is submitted for the fiscal year to which they pertain. The SFA exceeds this record retention requirement.

### **School Breakfast Program (SBP) Outreach**

Breakfast participation in the Middle/High School is low in comparison to participation at lunch. Therefore, ideas for increasing breakfast participation are encouraged to be considered. One idea would be to look at offering breakfast in the classroom or a mid-morning breakfast model (either out of the kitchen or in the classroom). More information on breakfast service models as well as financial models can be found in the [Serving up a Successful School Breakfast Program](#) guide on the [DPI SNT School Breakfast webpage](#). The SFA may also find the [Breakfast in the Classroom Toolkit](#) to be a helpful resource.

Parents play an important role in School Breakfast Program participation. A [video](#) was developed to show parents the benefits that the School Breakfast Program provides for them and their children.

National School Breakfast Week is in the spring each year. This is a great time to promote your breakfast program, try new recipes, incorporate activities, etc. to increase participation.

### **Summer Food Service Program (SFSP) Outreach**

As part of the National School Lunch Program (NSLP), it is requirement to complete SFSP outreach. The purpose is to inform students and families of the free feeding site(s) they may have access to in the summer while school is out of session. Options for outreach include informing families via email and/or newsletter about the availability of free summer meals via the [Summer Meals Map](#), the option to call 2-1-1 to connect with local health and humans services, the option to text 'food' to 877-877, and/or [posting free SFSP posters](#) in the SFA. For more information on Summer Food Service Program, please contact:

Amy J. Kolano, RD, CD  
Summer Food Service Program Coordinator  
Phone: 608.266.7124  
E-mail: [amy.kolano@dpi.wi.gov](mailto:amy.kolano@dpi.wi.gov)

## **5. OTHER FEDERAL PROGRAMS REVIEWS**

### **Special Milk Program (SMP)**

While operated by the SFA, this program was not reviewed as it was located in the Elementary School. The New Holstein Middle School was the School of Focus for the Administrative Review.

### **Wisconsin School Day Milk Program (WSDMP)**

While operated by the SFA, this program was not reviewed as it was located in the Elementary School. The New Holstein Middle School was the School of Focus for the Administrative Review.

Program reminders for the WSDMP include:

- Schools must serve Wisconsin-produced milk. Please verify this with your distribution and include in your milk bid.
- Students of paid meal status that take milk during the operation of the WSDMP cannot be claimed in the program and must be assessed a charge for the milk. If the SFA wishes to provide milk to paid students free of charge, it can but the cost cannot be absorbed by the food service account. A transfer from an outside fund (i.e. SFA's General Fund/Fund 10) to the non-profit food service fund would need to be completed.

Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career in an initiative called “Agenda 2017”. His goals are for students to have the knowledge, skills, and habits that will allow them to succeed in life after high school. Access to quality nutrition plays a major role in developing those life-long habits.

The School Nutrition Team believes that what school nutrition programs do every day plays a very important part in the success of every child being able to graduate. We all know that well-nourished children are ready to learn. Thank you for all you do to ensure your students’ success.

For more information on this initiative, please visit the Wisconsin DPI Every Child a Graduate webpage [dpi.wi.gov/statesupt/agenda-2017](http://dpi.wi.gov/statesupt/agenda-2017).

